

# *The Javits Wagner O'Day Act*

...an overview of the  
**NISH/JWOD Program & A-76 applications**



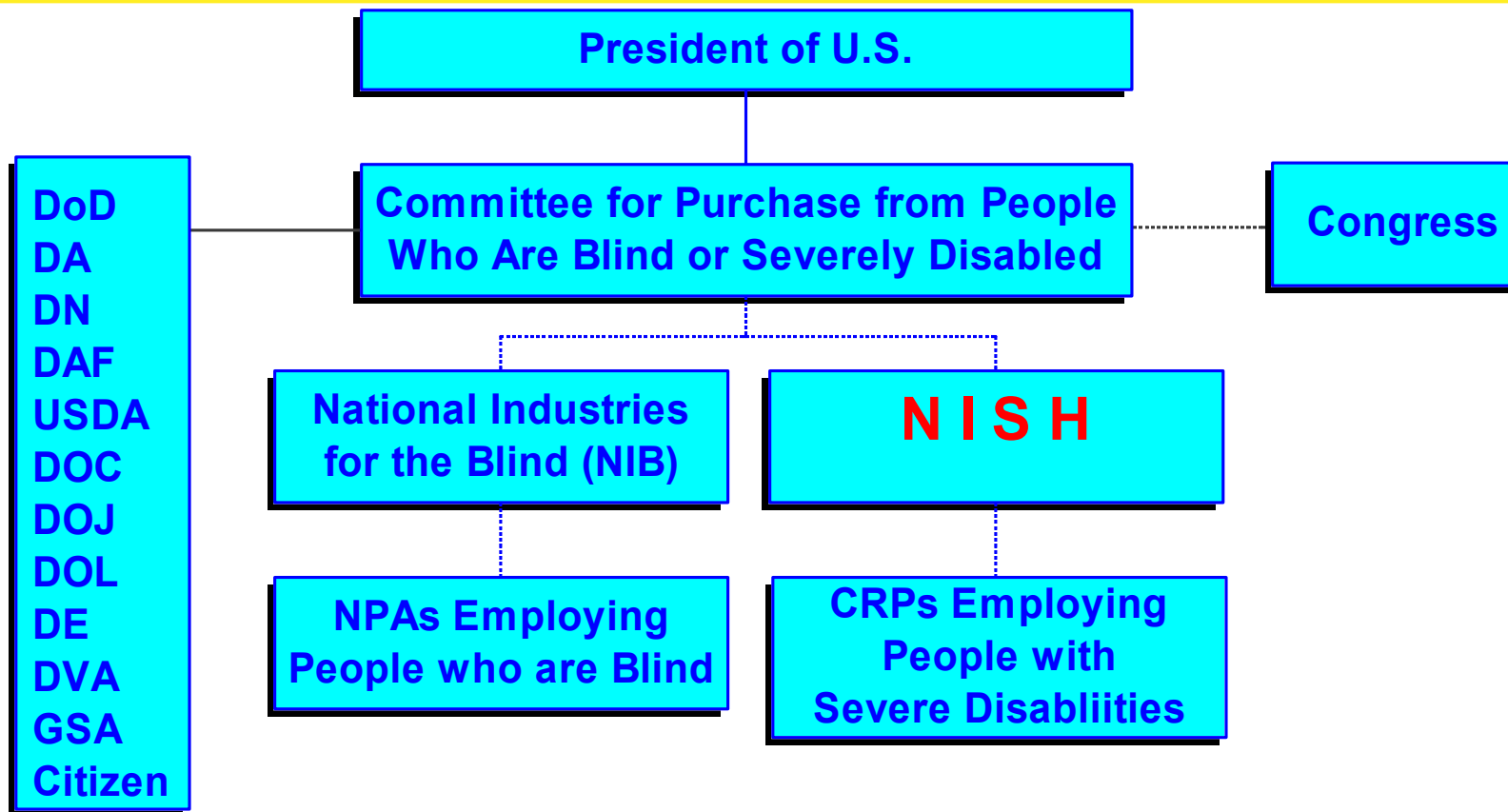
**Dave Theimer**  
*Assistant Vice President*  
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- **Public Law**
  - Wagner-O'Day Act of 1938 for NIB
  - Javits Amendment of 1971 added People with Disabilities
    - NISH formally organized in 1974
    - Not federal employees
  - Javits-Wagner-O'Day Act (41 U.S.C. 46-48c)
  - Implemented through 41 CFR Chapter 51 and FAR Subpart 8.7
- **Committee for Purchase from People Who Are Blind or Severely Disabled (15 Members)**





# Javits-Wagner-O'Day JWOD



[Steven B. Schwalb](#),  
**Chairperson**  
Chief Operating Officer,  
UNICOR  
Corporate Management  
Federal Prison Industries  
**Department of Justice**  
November 1994



Vacant  
**Department of the Army**



[Gary J. Krump, Esq.](#)  
Deputy Assistant Secretary for  
Acquisition and Materiel  
Management  
**Department of Veterans  
Affairs**  
April 1994



Vacant  
NAVSUP  
**Department of the Navy**



[LeRoy F. Saunders](#), **Vice  
Chairperson**  
**Private Citizen**—Obstacles to  
Employment of Persons Who  
are Blind  
March 1995



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**Department of Commerce**



[Evelyn Jobe Villines](#)  
**Private Citizen**—Obstacles to  
Employment of Persons with  
Other Severe Disabilities  
April 1994



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**General Services  
Administration**



[Timothy A. Beyland](#)  
Associate Deputy Assistant  
Secretary (Contracting)  
**Department of the Air Force**  
July 1998



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Defense Logistics Agency  
**Department of Defense**



[Donald H. Wedewer](#)  
**Private Citizen**—Nonprofit  
Agency Employees Who are  
Blind  
April 1994



[Deborah G. Groeber, Esq.](#)  
**Private Citizen**—Nonprofit  
Agency Employees with Other  
Severe Disabilities  
January 1996



Vacant  
**Department of Education**



[Ira L. Hobbs](#)  
Deputy Chief Information  
Officer (CIO)  
**Department of Agriculture**  
October 1995



Vacant  
**Department of Labor**



# Committee Responsibilities

**Oversee central nonprofit agencies (NISH & NIB)**

**Qualify non-profit agencies (NPAs)**

**Determine Suitability of Projects**

**Impact**

**Sets the “Fair Market Price”**

**Administer priority program**

**Control the “Procurement List”**

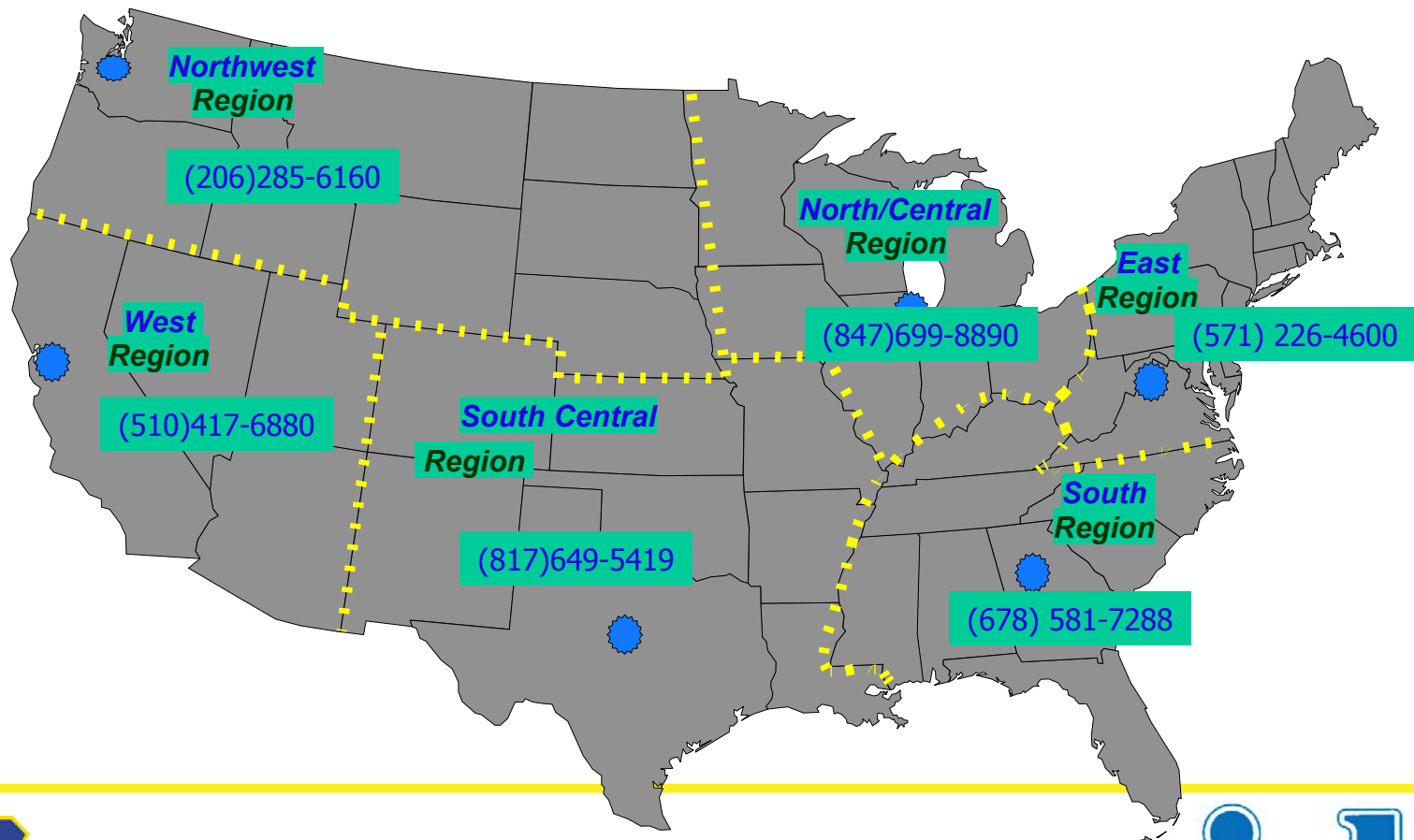
**Establish/Enforce Rules & Regulations under “The Law”**

- Central Nonprofit Agency
- Mission is to ...

***Create jobs and training opportunities for persons who are blind or have severe disabilities.***







**NISH/JWOD offices...**  
**Located close to our customers**



**we provide**

- Market research
- Technical/Engineering assistance
- Free training to NPAs and Government
- Business Management
- Regulatory Assistance
- Costing and Pricing
- Government/NPA liaison
- Committee support





- Administrative Services
- Assembly & Packaging
- Commissary Services
- Food service
- Forms / Publications
- Storage & Distribution
- Document destruction

## Services

- Grounds/Maintenance
- Janitorial/Custodial
- Laundry Services
- Mailing Services
- Recycling



***Labor intensive ...***  
***...support services***

# JWOD New Services



- \*Off-Site Telecommuting Capabilities
- \*Central Facility Management
- \*Document Conversion & Management
- \*Printing Services
- \*Linen Rental Service (Product and Service)
- \*Family Housing Maintenance
- \*Call Centers
- ☞ **Wheeled Vehicle Maintenance**  
(FORT LEWIS)
- \*Nationwide/Agencywide Arrangements
  - \* State Department - Passports
  - \* INS - Visa's
  - \* Marine Corps - Food Service



**JWOD can provide the "TOTAL SOLUTION"**



- Get high quality products and services
- Receive on-time delivery
- Pay only a fair market price
- Save on contract rebidding
- Focal Point - NISH/NIB
- Extension of Activity Staff - NISH/NIB



Win, Win!

## Other Relevant Authority

- **FAR Part 6, Competition Requirements** FAR 6.302-5 (b) (2)
- **FAR Part 8, Required Sources of Supplies and Services**

## •Partnering Approach (Far 6.302-5 (b) (2) ... Then to FAR 8.7)



## - NISH/NIB Support and Facilitation

## Motivated 'Contractor' and Workforce



## **Our authority under OMB Circular A-76**

JWOD is a preferential source under OMB Circular A-76

Rules are in the Revised Supplemental Handbook

Part 1, Chapter 1, Paragraph D, 8

Part II, Chapter 3, Paragraph B,4

Draft Circular No. A-76 (Revised)

Attachment C, Section A.7.





## Preferential Procurement Programs Ch.1, Par.. D, 8 (Revised Supplemental Handbook)

“A commercial activity of any size that is performed by Federal employees may be converted to contract performance, **without cost comparison - even if it results in adverse employee actions**, if the contract is awarded to a preferential procurement source at a fair market price.”

### Draft Circular No. A-76 (Revised) Attachment C, Section A.7.

“An activity may be converted to a source administered pursuant to Section 2 of the Javits-Wagner-O'Day Act (41 U.S.C 44, 46-48).”



## Challenges for civilian agencies under A-76

### Acquisition planning

Agencies expect acquisition plans which provide maximum benefit to the agency under A-76

### Funding the studies

Agencies will incur up front costs well before they will see the benefits

### Providing for displaced employees

The 90 day transition period under A-76 may not allow for adequate HR actions

### Staffing A-76 Commercial Activities Teams

Agencies may not have sufficient government employees available to sit on A-76 MEO and Source Selection teams



## How Direct Conversions Under NISH/JWOD Simplify the Process

Direct Conversion Partnership Status allows NISH/JWOD to assist the agencies by effectively integrating A-76 into acquisition plans

- Make decisions on whether to compete by business units, processes, functions or locations
- Study the proposed positions, determine inherently governmental and core capabilities, then define the tasks to be included in the statement of work

### Direct Conversion to NISH/JWOD

- Promotes soft landing for employees through phased in transition
- Saves government resources (funding and employee time)
- Less time to decision (6 months or less instead of 12-18 months)



## How Direct Conversions Under NISH/JWOD Simplify the Process (cont)

The Government can directly convert any number of positions to NISH/JWOD

- Positions can be added to contracts which are already on the procurement list
- New requirements would be added to the procurement list as direct conversions at fair market prices to enhance cost savings
- Cost comparisons are at the discretion of the agency



## **Direct Conversions work under NISH?JWOD; recent direct conversions in civilian agencies**

Direct Conversion of multiple tasks including Janitorial, Shipping / Receiving / Warehousing, and General Maintenance

- Initial joint meeting between the contracting officer, on-site customer and NISH/JWOD
- Tour of location, definition of requirements
- NISH/JWOD Contractor presented qualifications and references

Initial SOW was drafted, then NISH/JWOD and contracting officer negotiated the best value for the government including suggesting transferring some work to IDIQ so the FFP contract would not reflect cost for sporadic services



## **Direct Conversion Work under NISH/JWOD; recent direct conversions in civilian agencies (cont)**

NISH/JWOD provided ongoing response to questions from the government and continued to assist in refining the requirements

At the request of the government agency, NISH/JWOD Contractor interviewed government employees interested in working for the NISH/JWOD Contractor (government had already arranged for transfers for existing employees); some chose to go with the JWOD Contractor

When the best value was determined and costed, the contract was added to the procurement list at fair market price





## **Direct Conversion Work under NISH/JWOD; recent direct conversions in civilian agencies (cont)**

NISH/JWOD provided cost and technical qualifications input to a government agency in response to a Business Case Analysis (BCA) along with the private sector in response to an RFI

As a result of the BCA, a direct conversion to the NISH/JWOD Contractor was determined to be the best value.



## **Direct Conversion Work under NISH/JWOD; recent direct conversions in civilian agencies (cont)**

NISH/JWOD is assisting a government agency to assess its positions and identify core capabilities, inherently governmental functions, functions necessary for current mission and future needs.

- Final result will be recommendations of which positions are best suited for direct conversion

Civilian agencies are using NISH/JWOD's ability to transition employees to fill positions that come open where NISH/JWOD contracts already exist

- Quickly accomplished since the contract is already on the procurement list fulfills A-76 agency requirements while ensuring fair market value



## Competitions Under JWOD

- The Government can sign a letter of intent with NISH/JWOD which restricts competition to NISH/JWOD and the Government's MEO
  - Letter of intent is signed and forwarded to the committee which publishes it in the Federal Register
  - The contract is added to the procurement list per the instructions in the letter of intent
  - NISH/JWOD and the MEO respond to the RFP requirement
  - The government contracting officer compares the JWOD bid to the MEO bid and the lowest cost wins the competition
- NISH/JWOD can compete with other contractors and the MEO in an open competition



**JWOD - VS - MEO**

## A-76 Competitions

 US Army, Ft. Lewis, WA

 Central Issue facility

 Twenty Six Government Jobs transitioned

 Fall, 2000... added to the Procurement List



**JWOD Beat the MEO  
by > 10% savings**






**JWOD - VS - MEO**

## A-76 Competitions



 US Air Force Reserve Personnel Center -  
Robins AFB, GA

-  Records Processing & Support Services
-  Fifty Three Government Jobs to transition
-  Performance to begin March, 2002



**Union Protest rejected ...  
contract award imminent...**

**Direct Conversion**

## **A-76 Competitions**

 **US Department of the Treasury**

The Bureau of Alcohol, Tobacco and Firearms

-  Twenty Government Jobs transitioned
-  Forms Management & Distribution
-  Fall, 1987... added to the Procurement List



**The JWOD Contract has grown  
over the subsequent years**



...Sensible Transitions



## Direct conversions...over time

- US Army Space & Missile Defense Cmd
- Mailroom operations
- Started with two replacements to Government workforce
- Transitioned to performing total operation (Two years)



Minimize Morale Problems



Javits-Wagner-O'Day



JWOD Program...

Providing Cost Savings to the American taxpayer

## ► Nationwide Study...

...Conducted by NISH - Jan 1998

✓ Eleven GSA JWOD Janitorial Contracts across the country...

✓ Employing 270 people with Disabilities

...positive impact to the Federal Government in cost savings



# al Study

Javits-Wagner-O'Day



JWOD Program...

Shifting folks from a taxpayer liability to a revenue producing asset !

## ► Study findings...

...looking at the asset side

✓ Among the 270 participants, they paid

|                        |           |
|------------------------|-----------|
| - Social Security      | \$529,420 |
| - Medicare/Medicaid    | \$ 12,948 |
| - State Income Taxes   | \$ 89,952 |
| - Federal Income Taxes | \$415,804 |

**TOTAL**

**\$1,048,124**

COMBINED POSITIVE ECONOMIC IMPACT:

**\$1,963,411** (Avg. \$7,272 each)



CREATING EMPLOYMENT OPPORTUNITIES FOR PEOPLE WITH SEVERE DISABILITIES

Javits-Wagner-O'Day



JWOD Program...

Shifting folks from a taxpayer liability to a revenue producing asset !

## ► Study findings...

...looking at the liability side

✓ Among the 270 participants, they received

|                                 |           |
|---------------------------------|-----------|
| - Social Security benefits      | \$359,355 |
| - Medicare/Medicaid             | \$295,491 |
| - Welfare benefits              |           |
| (Aid to families + Food stamps) | \$194,220 |
| - Unemployment Benefits         | \$ 66,018 |

**TOTAL**

**\$915,287**

Reduced from Government entitlements as a Direct Result of Employment in a NISH JWOD Contract



# QUESTIONS?



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